

Terrorist Attack in Jerusalem and Arrests in New York City

Q. Is there a connection between Hamas and the New York arrests? Is there a connection there?

Q. Mr. President, there seems to be some confusion about whether or not you think this is a good time to send Secretary of State Madeleine Albright on her first trip to the Middle East. Could you tell us where that possibility stands and the level of cooperation between the Israelis and the Palestinian Authority? And if you could, what, if any, connection to the Middle East—to the Jerusalem bombing—occurred in New York yesterday with this foiled bombing plot?

The President. Let me—Mr. Plante [Bill Plante, CBS News] asked that question, and you asked that. Let me try to answer both of them. I have to go meet with President Aliyev of Azerbaijan, but I will try to answer them both quickly.

First of all, when the period of mourning is over, I will send Dennis Ross to the Middle East, to meet with the leaders there, with our latest ideas. I think it was appropriate to delay that in view of the terrible loss of life from the bombing. And then we will see where we are. I have said all along that I would send the Secretary of State to the Middle East at the appropriate time. But I want Mr. Ross to

go there to do the work I am sending him to do to get the reaction of the leaders, and then we'll make a decision.

Secondly, with regard to the arrests in New York yesterday, first of all I'd like to commend the law enforcement officials, both the New York City officials and the Federal officials who were participating in it; and secondly say that I cannot comment and cannot reach a final conclusion yet because I haven't received a report of the direct investigation done, including the interrogation of the people who were arrested.

But I will say that we have worked very hard in this country to increase our capacity to deal with terrorism. It is something we take very seriously, and we will continue to do that. We will work very hard. But I think it's important not to reach conclusions before we have ironclad evidence to support them. The main thing we need to do is to thank the law enforcement officials for what they did and to continue to heighten our vigilance and our capacity to deal with such matters.

Thank you very much.

NOTE: The President spoke at 11:12 a.m. in the Rose Garden at the White House. In his remarks, he referred to President Heydar Aliyev of Azerbaijan and Special Middle East Coordinator Dennis Ross.

Joint Statement on Azerbaijan-United States Relations *August 1, 1997*

During their August 1, 1997 meeting in Washington, Presidents Clinton and Aliyev agreed on the importance of expanding the partnership between the United States and the Republic of Azerbaijan through strengthening bilateral cooperation in the political, security, economic and commercial spheres. President Clinton reaffirmed U.S. support for the independence, sovereignty, territorial integrity, and democratic development of Azerbaijan, noting that close U.S.-Azerbaijan relations are important in promoting regional peace, stability and prosperity.

The two Presidents expressed strong support for an early and peaceful resolution to the

Nagorno-Karabakh conflict. President Clinton made clear that the United States is committed, together with Russia and France, to work jointly through the OSCE Minsk Group for a just and lasting peace to this conflict. President Aliyev endorsed the recent proposal of the Co-Chairs of the OSCE Minsk Group as the basis for intensified negotiations to achieve a peace agreement this year. The two Presidents agreed that the settlement should be based on the three OSCE Lisbon principles.

Both Presidents noted the positive contribution made by U.S. humanitarian assistance to Azerbaijan, particularly to refugees, internally displaced persons (IDPs), and other needy

groups. They agreed that Section 907 of the Freedom Support Act limits potential cooperation between the United States and Azerbaijan. President Clinton reiterated the Administration's strong support for repeal of Section 907.

Azerbaijan is at a critical juncture in its development as a democratic and market-oriented state. President Clinton praised President Aliyev's success in strengthening Azerbaijan as a state, implementing economic reform and spurring growth in recent years. Azerbaijan's deepening commitment to an economic reform program, including recent decisions to move forward with broader and faster privatization in cooperation with the World Bank and IMF, is central to its successful transition to a market-based economy. The two Presidents agreed that democracy, economic reform and the observance of human rights play an essential role in ensuring Azerbaijan's continued stability. President Clinton also welcomed President Aliyev's commitment to strengthen market freedom, rule of law and political pluralism in Azerbaijan, including the holding of free and fair elections.

Both Presidents support expanded economic and commercial relations, including greater bilateral trade and investment. The two Presidents noted the importance of rapid development of Caspian energy resources and highlighted the extensive participation of U.S. companies in the development and transport of Azerbaijan's oil and gas resources. This has already contributed to a thriving bilateral commercial relationship. The Presidents welcomed the establishment of an official dialogue on energy policy and commercial issues. They also agreed on the vital importance of the Eurasian transport corridor to the economic future of Azerbaijan and the entire region. The two Presidents welcomed the

signing of the U.S.-Azerbaijani Bilateral Investment Treaty and the U.S. Export-Import Bank Project Incentive Agreement. The United States encourages Azerbaijan's integration into the global economy, including early completion of its application for membership in the World Trade Organization on commercial terms generally applied to newly acceding members.

The United States recognizes the challenges facing Azerbaijan in assuring its national security and strongly supports Azerbaijan's active integration into newly emerging European security structures, including NATO's Partnership for Peace and the Euro-Atlantic Partnership Council. The Presidents expressed satisfaction with the entry into force on May 15, 1997 of the CFE Flank Document and agreed on the importance of the U.S.-Azerbaijani Joint Statement released in that connection. They also welcomed the adoption of the CFE Basic Elements decision in Vienna July 23, 1997 and agreed that the adaptation of the CFE Treaty should enhance the security of each state party.

The two Presidents also discussed security threats posed by international terrorism, narcotics trafficking, international criminal activity, and proliferation of weapons of mass destruction. They agreed to explore the expansion of security cooperation, including through the bilateral security dialogue inaugurated in March 1997.

Both Presidents underlined their support for increased parliamentary, cultural, scientific and educational exchanges, as well as contacts between individual citizens to enhance relations between the United States and Azerbaijan.

NOTE: An original was not available for verification of the content of this joint statement.

The President's Radio Address

August 2, 1997

Good morning. This week we reached agreement on a bipartisan balanced budget that honors our values, invests in our people, and gives middle class families a well-deserved tax cut. With overwhelming bipartisan support in both Houses, the Congress has sent me this measure, and next week I will sign it into law. This is

an historic achievement, a plan that will strengthen our economy and prepare our people for the challenges of the 21st century.

There has been a lot of cheering here in Washington, but there has been cheering on Main Street as well, for the real impact of this budget will be in the lives, the dreams, and